Have more questions?

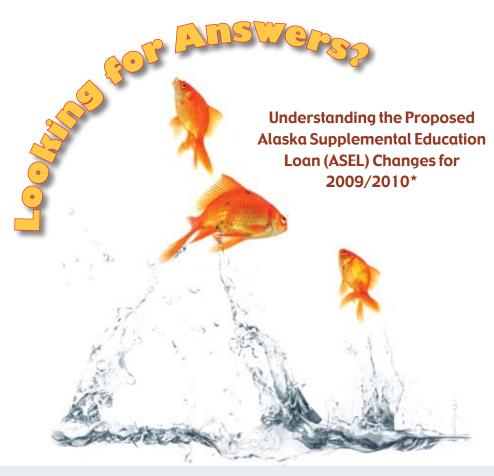
Call us toll-free at 800-441-2962 (465-2962 in Juneau).

The Fine Print: *Note that this information constitutes tentative, advanced notice of proposed changes that are subject to change until authorizing legislation is enacted.









Why are ASEL Changes Needed?

As a result of the national student loan funding crisis, we must strengthen credit requirements in order to continue to fund state loans. This means that for the 2009/2010 year, borrowers must:

- ✓ complete a new Master Promissory Note (MPN)

 AND
- ✓ meet ACPE's minimum credit score requirements or have a cosigner who meets score requirements.



What is the required score?

At the time of this notice we anticipate that borrowers and cosigners will have to have a FICO score of at least 680. Find out more at AKAdvantage.alaska. gov/documents/Credit_Assessment_Student Handout.pdf

How do I find out if I will qualify for the loan?

We will send a letter to ASEL borrowers currently in school, and post an online notice as soon as applications are available, later this spring. Generally, you can find out if you meet the minimum credit score by applying online.

What if I don't meet that requirement?

First, consider an AlaskAdvantage Stafford Loan, which has no credit requirements. You can also reapply for the ASEL with a qualifying cosigner; or you can contact your school's financial aid office for information on other programs.

The following steps can keep your costs as low as possible:

- 1. Complete the FAFSA as soon after January 1st each year as possible.
- 2. Contact your school's financial aid office for information about assistance programs for which you may qualify.
- 3. Whenever possible, choose scholarships, grants, and other awards that do not have to be repaid before taking out loans.
- 4. If you need a loan, the AlaskAdvantage Stafford Loan is the lowest cost loan available, and it has no credit assessment requirement, plus it has higher loan limits for the 2009/2010 school year.
- 5. If you need more funds beyond the AlaskAdvantage Stafford, consider asking your parents to borrow a federal PLUS loan.
- 6. If you need additional funds beyond those from your AlaskAdvantage Stafford or PLUS Loan, or if you are not eligible for a federal loan, you may still qualify for an ASEL with a credit–worthy cosigner.

Quick Facts on AlaskAdvantageTM Loan Programs and Credit Assessment Requirements* for 2009/2010 Loans

Loan Program	Borrower Credit Requirement
AlaskAdvantage™ Stafford Loan	No credit requirements
Alaska Supplemental Education Loan	680 FICO or cosigner with 680 FICO
AlaskAdvantage™ Alternative Loan Consolidation	720 FICO
AlaskAdvantage™ PLUS Loan (Parent PLUS and Grad PLUS)	Absence of adverse credit history
Alaska Family Education Loan	Absence of adverse credit history
Career-Specific & Special Program Loans	Absence of adverse credit history

Note that WWAMI and Winn Brindle loans (funded by the State of Alaska General Fund and donations from fishery businesses, respectively) do not rely on ASLC for funding and will not be subject to these changes.

Will anyone be "grandfathered" if they already have an ASEL?

Unfortunately, no. We must apply the new credit standard equally to all borrowers in order to acquire funds that keep your interest rates low. Existing ASEL borrowers will need to complete a new MPN, either online or in hard copy. We will mail a notice when the new applications become available later this spring.

Do these changes apply to AlaskAdvantage federal loans?

No, only to ASELs and alternative loan consolidation. Federal Stafford Loans are guaranteed by the United States government, so no credit assessment is needed. Federal PLUS loans will continue to have their current credit requirements, which are considerably less rigorous than the ASEL requirements.

Will there be changes to loan fees or interest rates?

Interest rates, fees and borrower benefits are set each year, based on formulas in law and on program costs, and they will be announced later this spring. If our strategies are successful, we expect to continue to offer the lowest cost financial aid in the nation, with cost reduction benefits specifically for students attending schools in Alaska or returning to/remaining in Alaska after finishing school. Based on current estimates, which are subject to change before rates are finalized in May, we expect to retain the current low rate and to charge a 5% origination fee on the ASEL. We plan to subsidize origination fees on AlaskAdvantage Stafford Loans.